



*Testimony before the Insurance and Real Estate Committee
William Halsey, Medicaid Director
Department of Social Services
February 18, 2025*

Good morning, Chairs Cabrera and Wood, Ranking Members Hwang and Pavalock-D'Amato; and distinguished members of the Insurance and Real Estate Committee. I am William Halsey, Medicaid Director at the Department of Social Services. Commissioner Barton Reeves regrets that she is unavailable for today's hearing.

HOUSE BILL 6870: AN ACT ADDRESSING PATIENTS' PRESCRIPTION DRUG COSTS

The Department is in support of the Governor's healthcare affordability package, including HB 6870 which aims to reduce prescription drug costs.

The Department of Social Services (DSS), as the state Medicaid agency, currently spends over \$1 billion in gross expenditures on prescription medication on an annual basis. Even though the Department actively pursues and is successful in securing federal rebates and manufacturer supplemental rebates whenever possible, prescription medication costs are increasing, and our overall rebate percentage is decreasing.

DSS is aware that the federal Food and Drug Administration (FDA) has set forth a process under section 804 of the Federal Food, Drug, and Cosmetic Act (FD&C Act) that allows importation of certain prescription drugs from Canada to: "significantly reduce the cost of these drugs to the American consumer, without imposing additional risk to public health and safety."

The prescription drug importation feasibility pathway contained in this bill, to be conducted by the Department of Consumer Protection, will help DSS understand the opportunities to reduce pharmaceutical costs and will support efforts to focus more on prevention and wellness-based approaches that can contain costs and improve outcomes for our members in the long term. It will also help identify the operational and safety factors that should be considered for a future implementation strategy, as well as best practices and lessons learned from other states that have explored prescription drug importation from Canada, including Florida, specifically for the Medicaid program.

The Department is in support of this bill. We welcome any questions or comments.